GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:264
ANSWERED ON:04.12.2007
LOSS SUFFERED BY EXPORTERS
Rawale Shri Mohan

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the impact of the current trend in the decline in exports on the production of goods and the loss of jobs in the export sector has been assessed by his Ministry; and

(b) if so, the details thereof alongwith the remedial measures proposed in this regard?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH)

(a) & (b) A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) AND (b) OF LOK SABHA STARRED QUESTION NO. 26 FOR ANSWER ON 4TH DECEMBER, 2007 REGARDING `LOSS SUFFERED BY EXPORTERS`

(a) & (b) While there is an overall growth in exports, the rate of growth has declined. However, in certain sectors like textiles, leather, marine products and handicrafts there is a net decline in exports which has led to job losses. While exact details are not available, it is estimated that unless remedial measures are taken, the total job losses could be as high as 2 million.

Following steps have been taken to provide relief to the exporters to meet the adverse situation arising out of rupee appreciation:-

(i) Enhancement of Duty Entitlement Passbook Scheme (DEPB) rates;

(ii) Enhancement of Duty Drawback Rates;

(iii) Reduction of ECGC premia rates;

(iv) Provision of subvention of 2% in the rate of interest on pre and post shipment credit in respect of all exporters from SME sector and 13 other sectors and additional subvention of 2% in respect of leather and other manufacturers, marine products, all categories of textiles including Ready Made Garments and Carpets but excluding Man-made Fibres, and Handicrafts;

(v) Accelerated reimbursement of terminal excise duty and central sales tax to exporters;

(vi) Provision to pay interest on Exchange Earners Foreign Currency (EEFC) accounts of exporters on outstanding balances subject to a maximum of US$ 1 million;

(vii) Service Tax (refund/exemption) for exports in respect of 10 services;

(viii) The coverage under Vishesh Krishi and Gram Udyog Yojana, a Scheme aimed at promoting export of agricultural and village industry products, expanded to include additional products and budget allocation doubled from Rs. 300 crores to Rs. 600 crores;

(ix) Custom duty on select textile materials has been reduced;

(x) Provision of payment of interest for delays in re-imbursement of Terminal Excise Duty and Central Sales Tax beyond 30 days from the date of approval.

A proposal for further reliefs to arrest loss of job is under consideration of the Government.